

RETHINKING CUSTOMER VALUES

How segmentation saves customer bills – and the planet

Rupen Seoni
Senior Vice President & Practice Leader
Environics Analytics
Rupen.Seoni@environicsanalytics.com

ENVIRONICS
ANALYTICS



Énergie NB Power

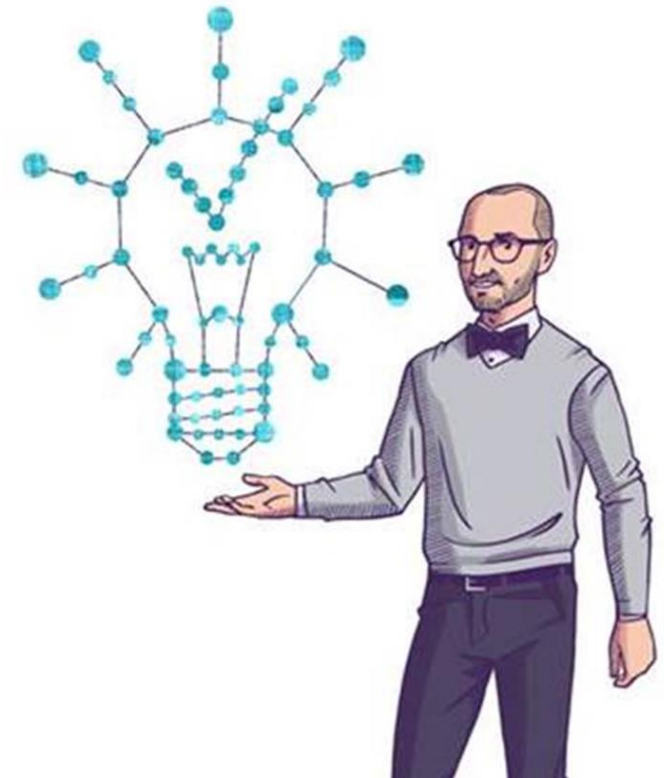
MacLARENMcCANN

engage
atlantic • national • global

ABOUT ENVIRONICS ANALYTICS

We help clients achieve their business objectives by delivering actionable customer and market insight grounded in data and analytics.

- Founded in 2003
- 3,000+ clients across every industry sector
- 220+ employees: geographers, statisticians, mathematicians, modelers, marketers and business strategists
- Part of the Environics family



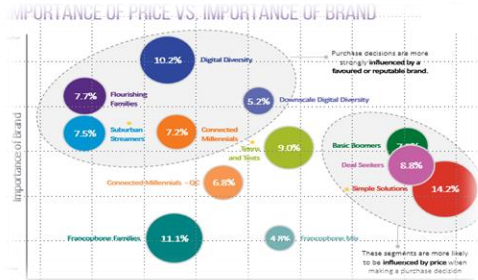
ABOUT ENVIRONICS ANALYTICS

Data



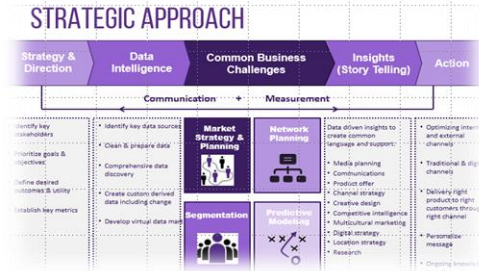
- Privacy-Compliant, Reliable Databases
- 20,000+ data points for ZIP+4s (US) & six-digit postal codes (Canada)
- Use in your environment

Analytics



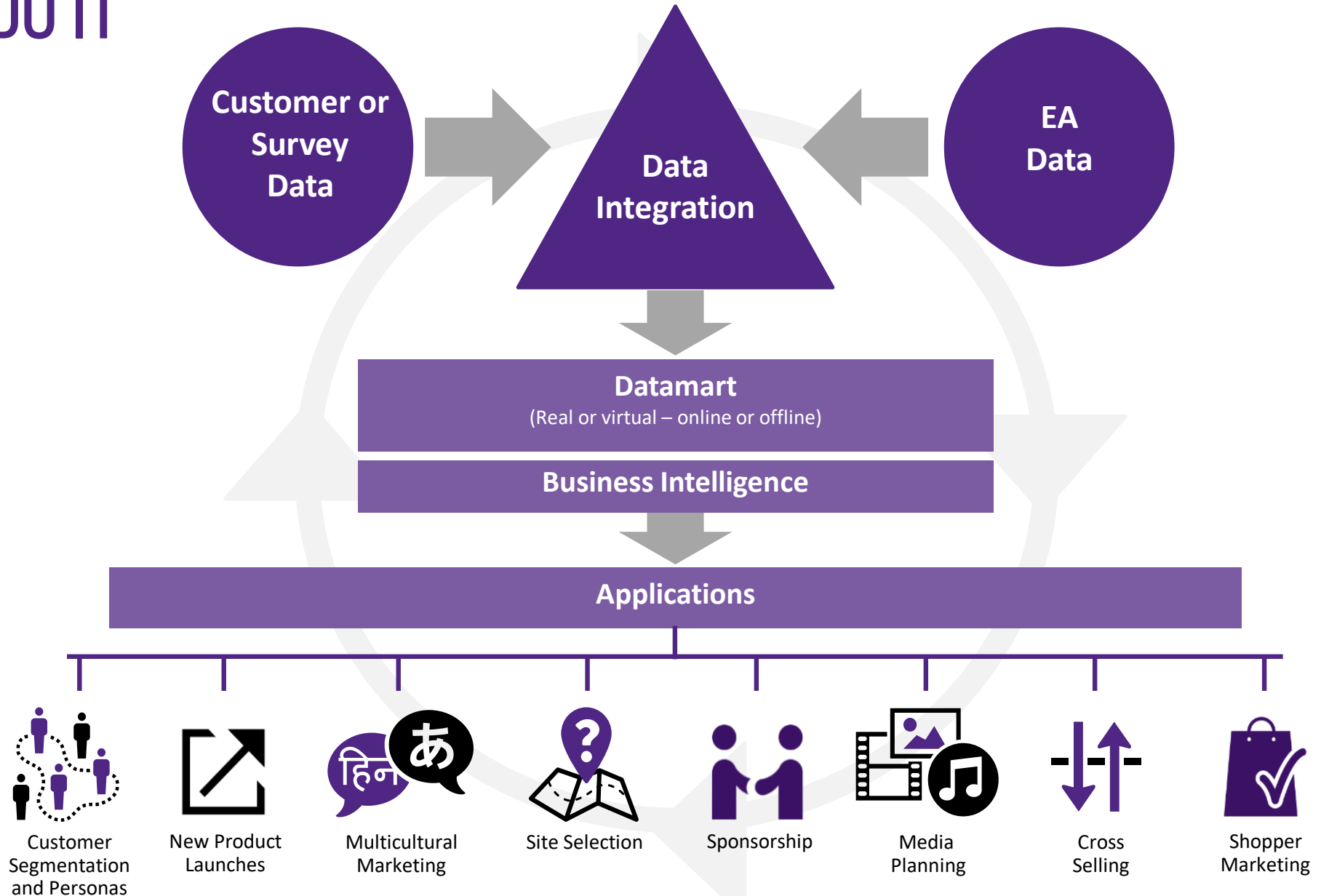
- EA standardized analytical processes
- Project work by EA
- ENVISION5 tool for self-serve analytics
- Training, support, knowledge transfer

Services



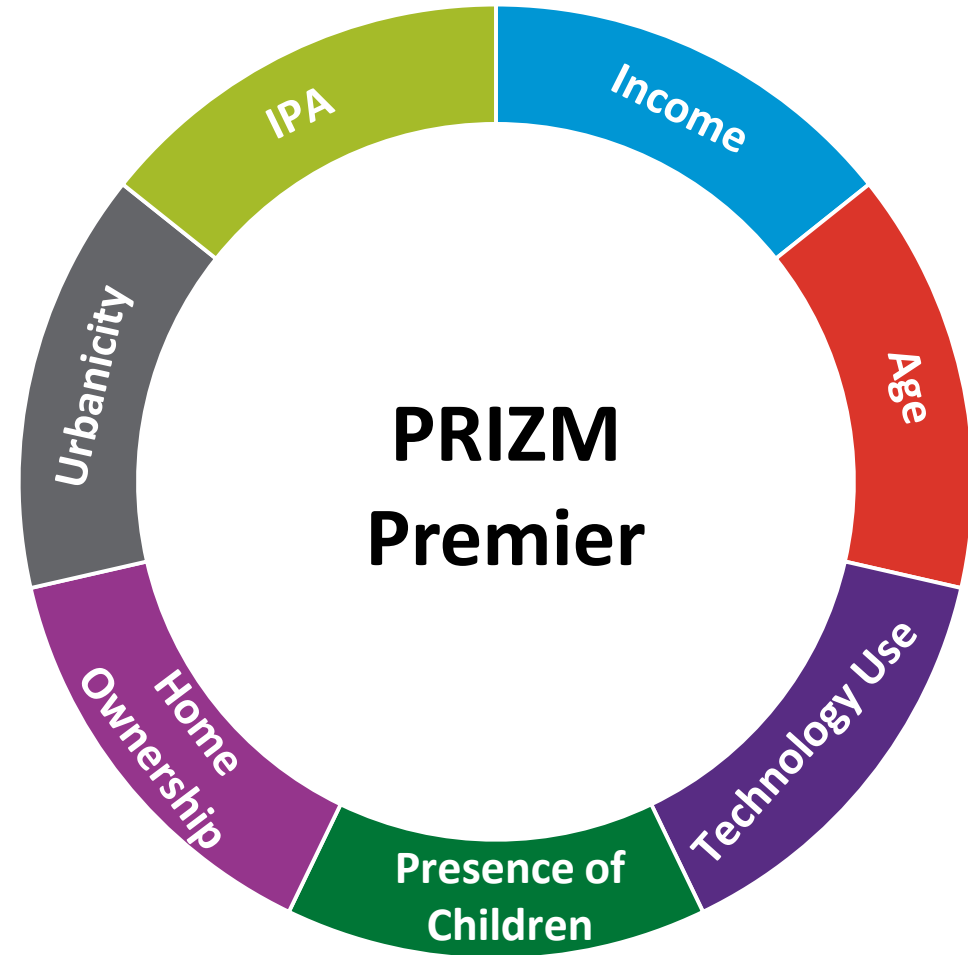
- Evaluate analytics readiness
 - Data
 - Analytical processes
 - Tools
 - Skills
 - Measurement plans

HOW WE DO IT

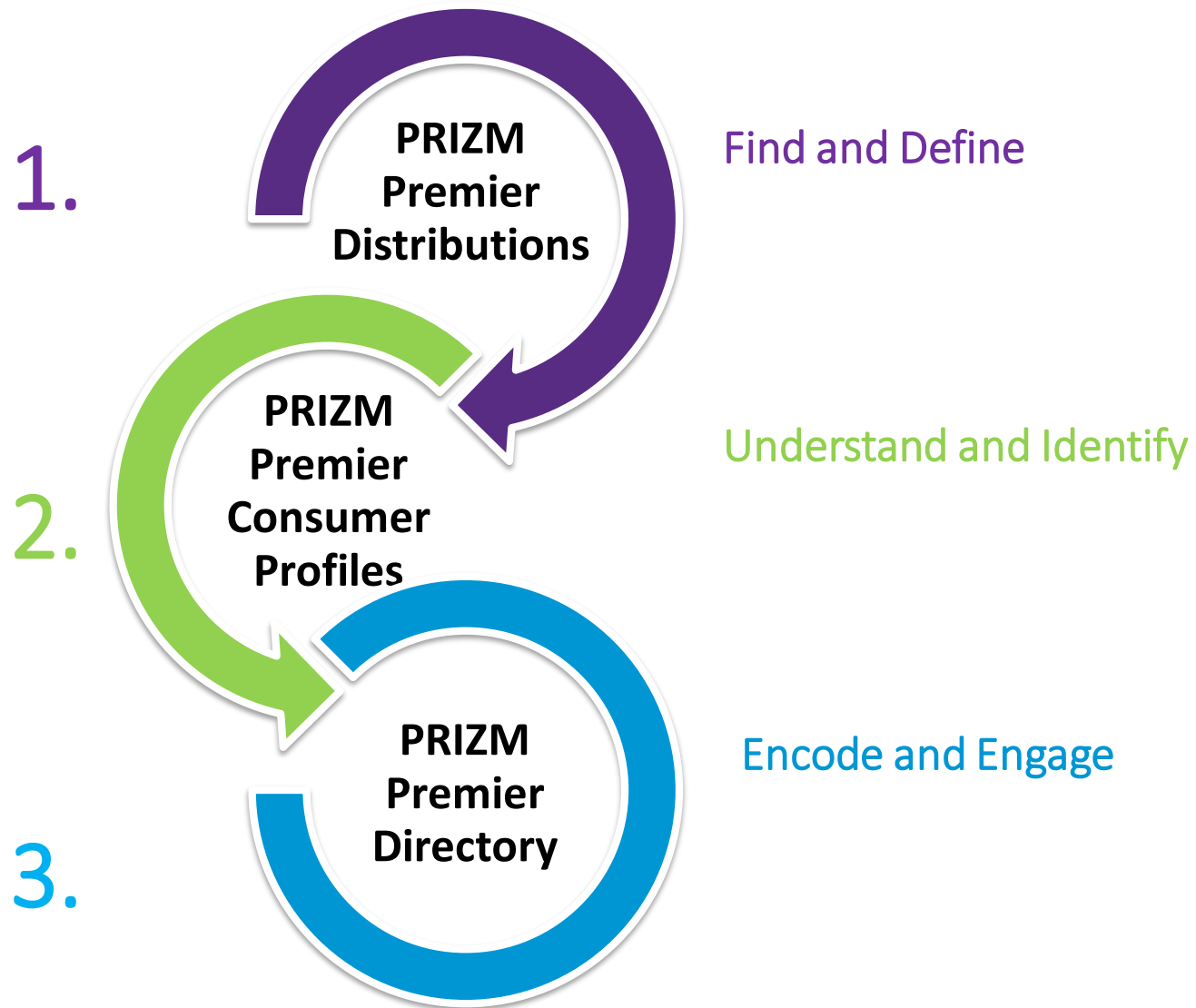


PRIZM PREMIER SEGMENTATION

- 68 segments within 14 Social Groups or 11 Lifestages
- Uses predictive demographics optimized around a wide variety of consumer behavior, shopping patterns, and media preferences
- Household-level drivers are age, income, assets, technology use, kids/no kids, own/rent, etc.
- Segment assignments available for all levels of geography



PRIZM PREMIER – MULTIPLE LEVELS OF INSIGHT



PRIZM PREMIER – LEVEL ONE

1.

**PRIZM
Premier
Distributions**

Find and Define your key customers and best prospects

- Provides insights into who your customers are, where they live, what they do and how they think

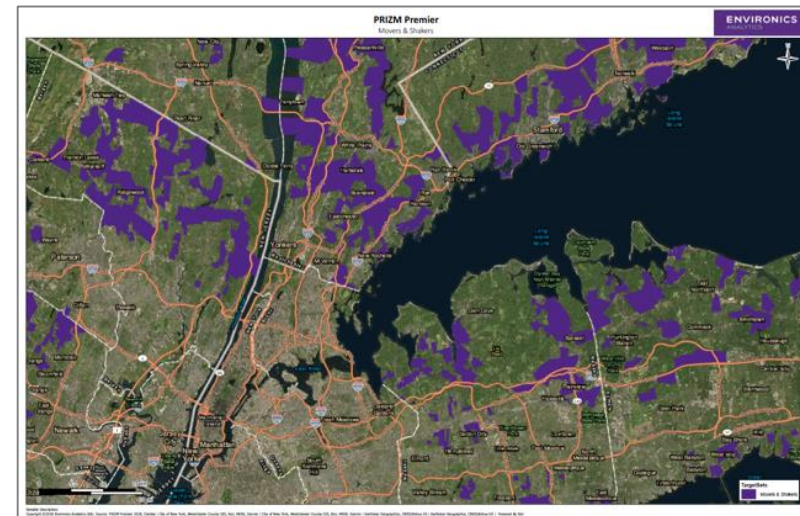
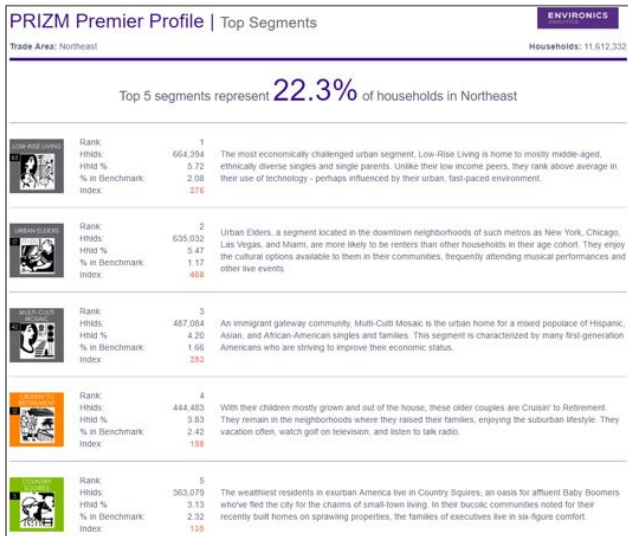
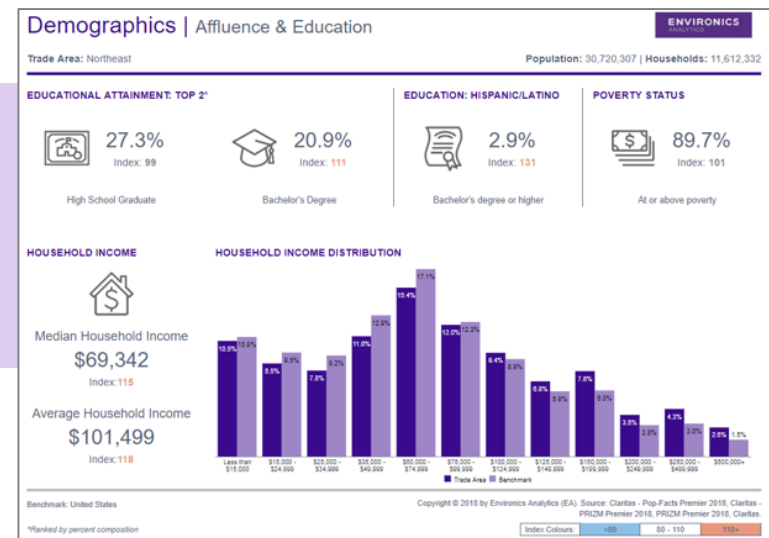
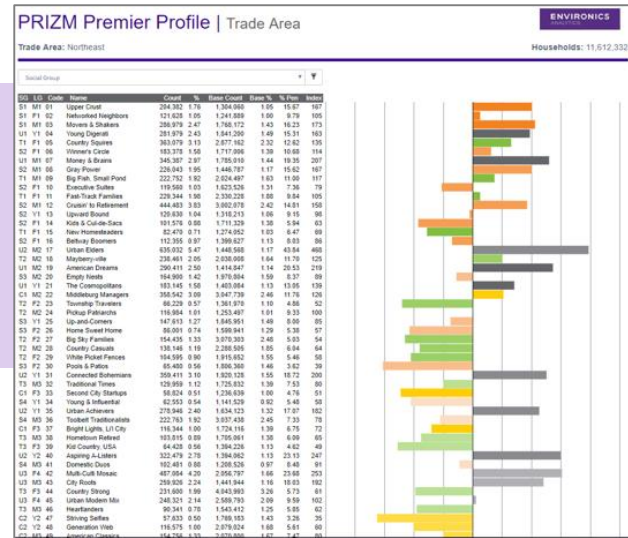
2.

**PRIZM
Premier
Consumer
Profiles**

3.

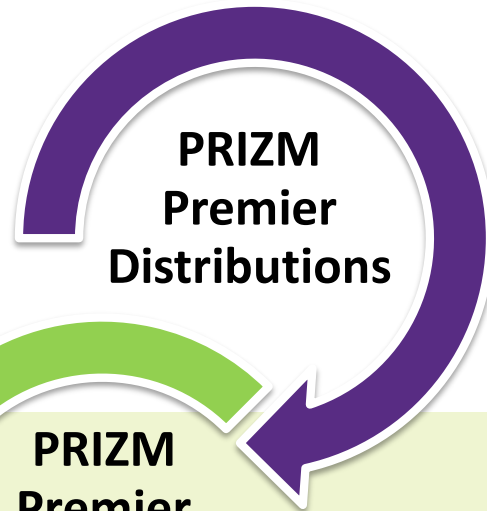
**PRIZM
Premier
Directory**

FIND AND DEFINE

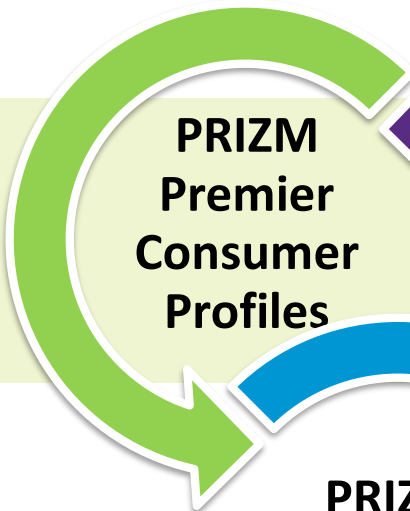


PRIZM PREMIER – LEVEL TWO

1.



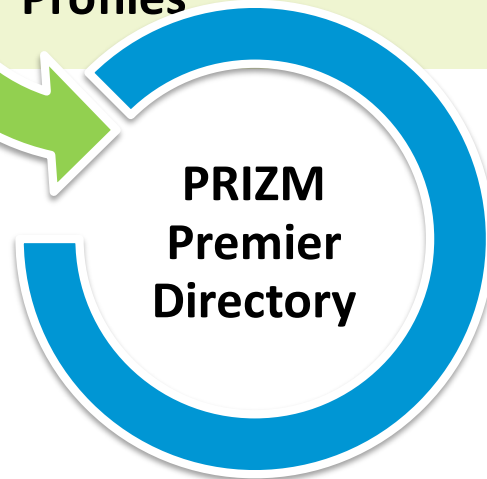
2.



Understand and Identify their key behaviors

- What they read, watch, listen, consume, drive, engage in and more

3.

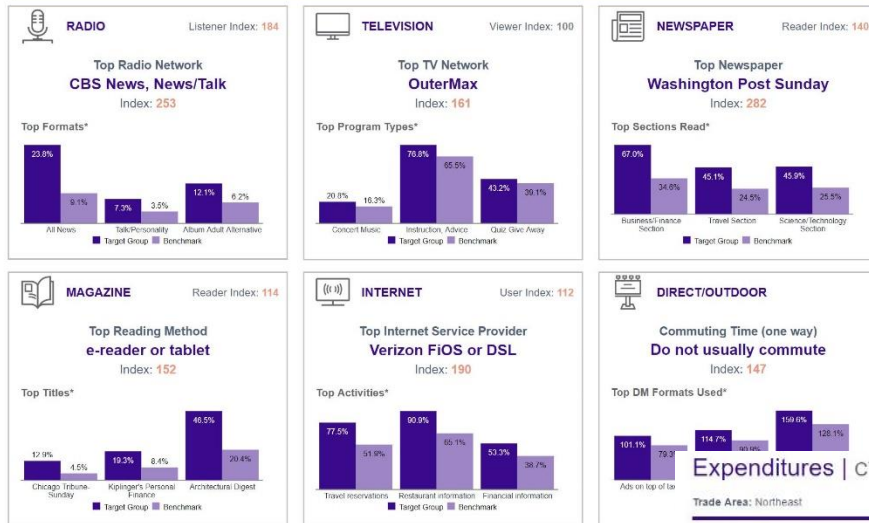


UNDERSTAND AND IDENTIFY

Consumer Profiles | Media Overview

ENVIRONICS ANALYTICS

Target Group: Group 1 (03, 06, 08, 12, 17)



Benchmark: United States
 Copyright © 2018 by Environics Analytics (EA). Source: Claritas C Profiles 2018, Net Worth Profiles 2018, GIKI
 *Chosen from index ranking with minimum 5% composition

Consumer Profiles | Sports & Leisure Overview - Attend/Participate

ENVIRONICS ANALYTICS

Target Group: Group 1 (03, 06, 08, 12, 17)

Top Events & Local Attractions - Attended*



Top Sports Events - Attended*



Top Leisure Activities - Participated*



Benchmark: United States
 Copyright © 2018 by Environics Analytics (EA). Source: Claritas Consumer Profiles 2018, Income Producing Assets Profiles 2018, Net Worth Profiles 2018, GIK MRI Profiles 2018, PRIZM Premier 2018, Claritas.
 *Chosen from index ranking with minimum 5% composition

Expenditures | CY Consumer Buying Power Overview

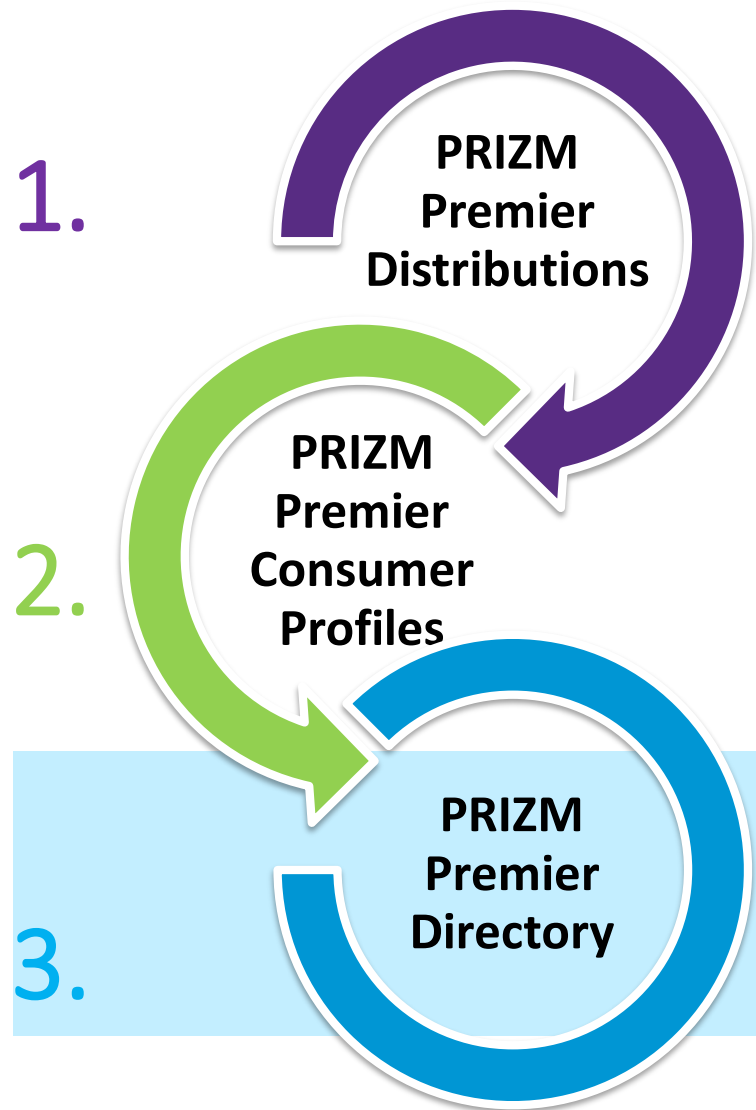
Trade Area: Northeast Consumer Units: 11,926,717 | Households: 11,612,337

Total specified consumer expenditures: \$830,245,603,022



Benchmark: United States
 Note: 1. All non-aggregate values represent per consumer and annual averages.
 Note: 2. Displaying the top nine Consumer Buying Power categories ranked by percent composition.
 Copyright © 2018 by Environics Analytics (EA). Source: Consumer Buying Power 2018.
 Index Colours: <80 80 - 110 110+

PRIZM PREMIER – LEVEL THREE



Encode and Engage individual customers

- Drive systematic business engagement through a segmentation framework that enables more personalized communication, tailored messages and product offers that resonate with target

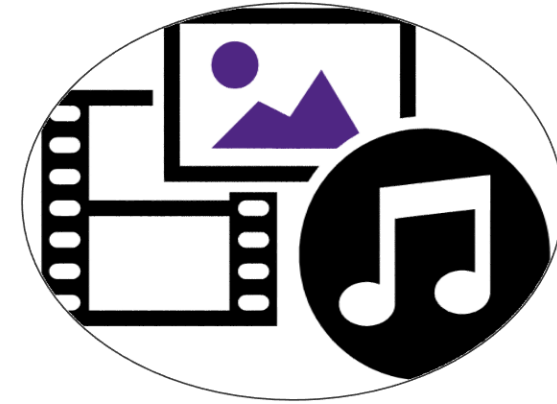
ENCODE AND ENGAGE



Existing Customer
Engagement



Customer
Experience



Media
Planning



Location
Strategy



New Customer
Acquisition

PROJECT BACKGROUND



Government Ownership



70%

Customer Experience Index



75%



Water Heaters

93%



Baseboard Heating

70%



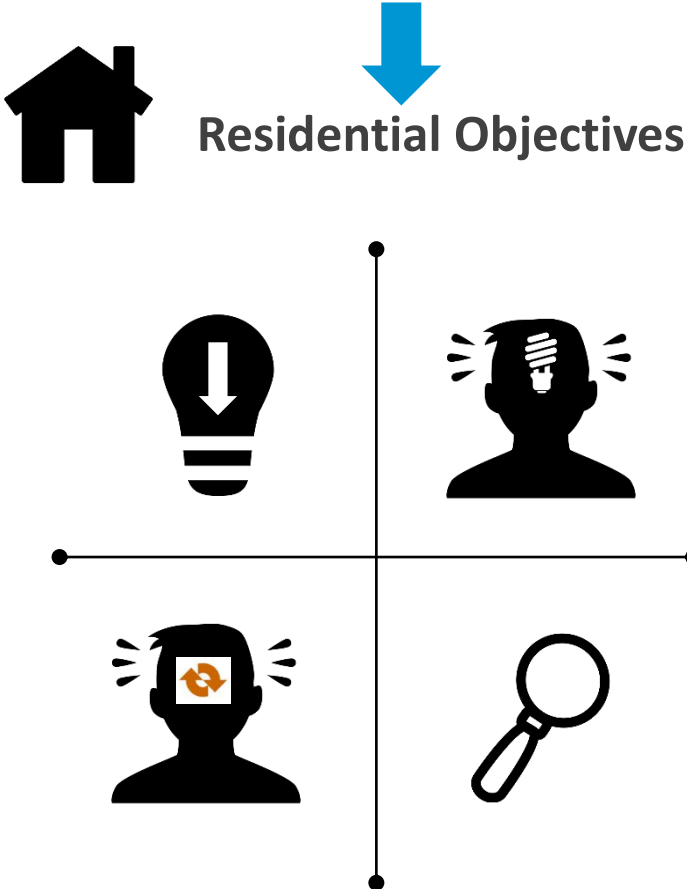
- Capacity constraints
- Debt load
- Smart Grid in development
- No Smart Meters

PROJECT BACKGROUND



Corporate Mandate

- 60MW peak reduction over 3 years
- 600MW peak reduction by 2038



OUR SEGMENTATION CHALLENGE

296,948 households

What are they doing?



Energy Usage Behavior

Why are they doing it?



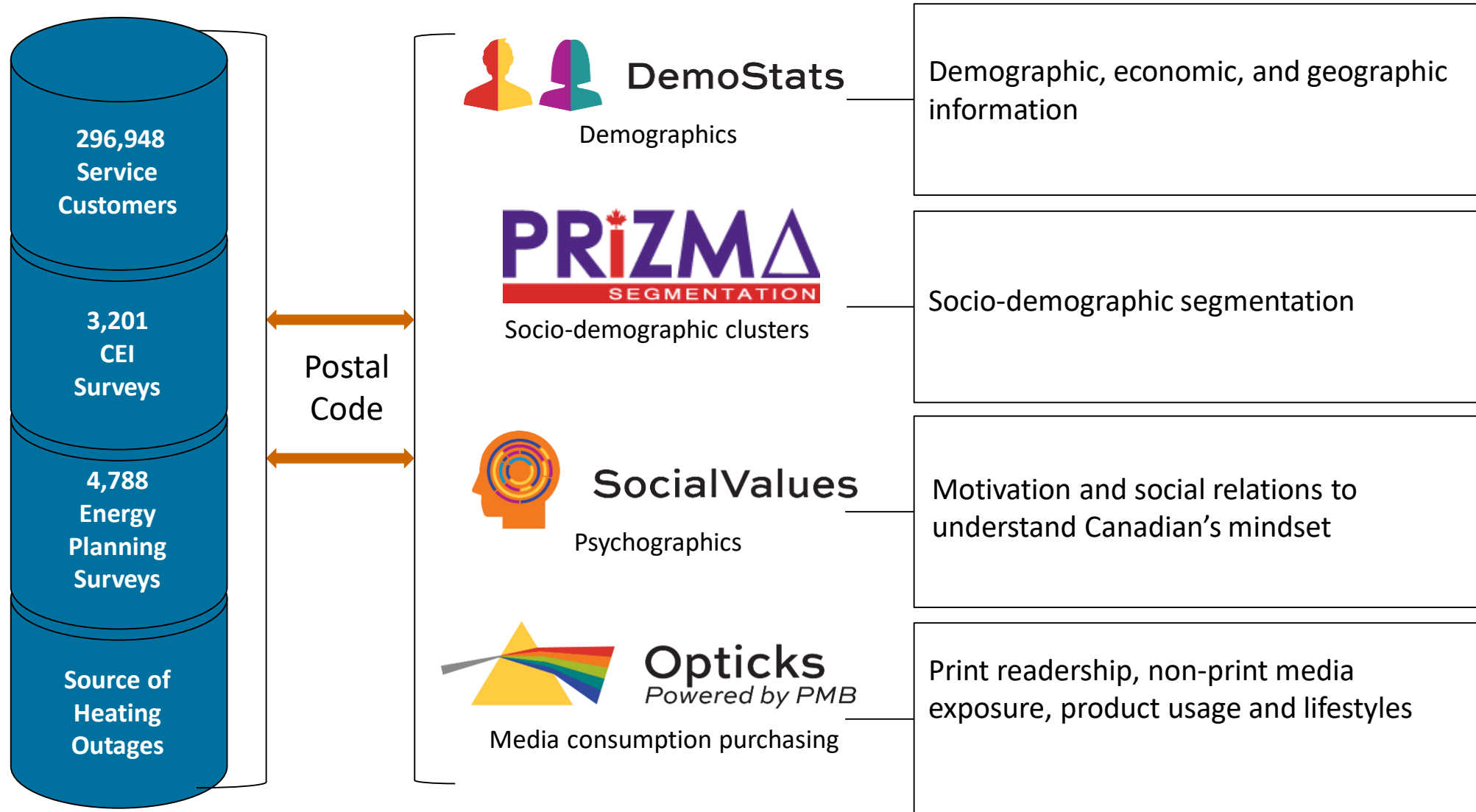
Geodemographics

How do we get them to change?

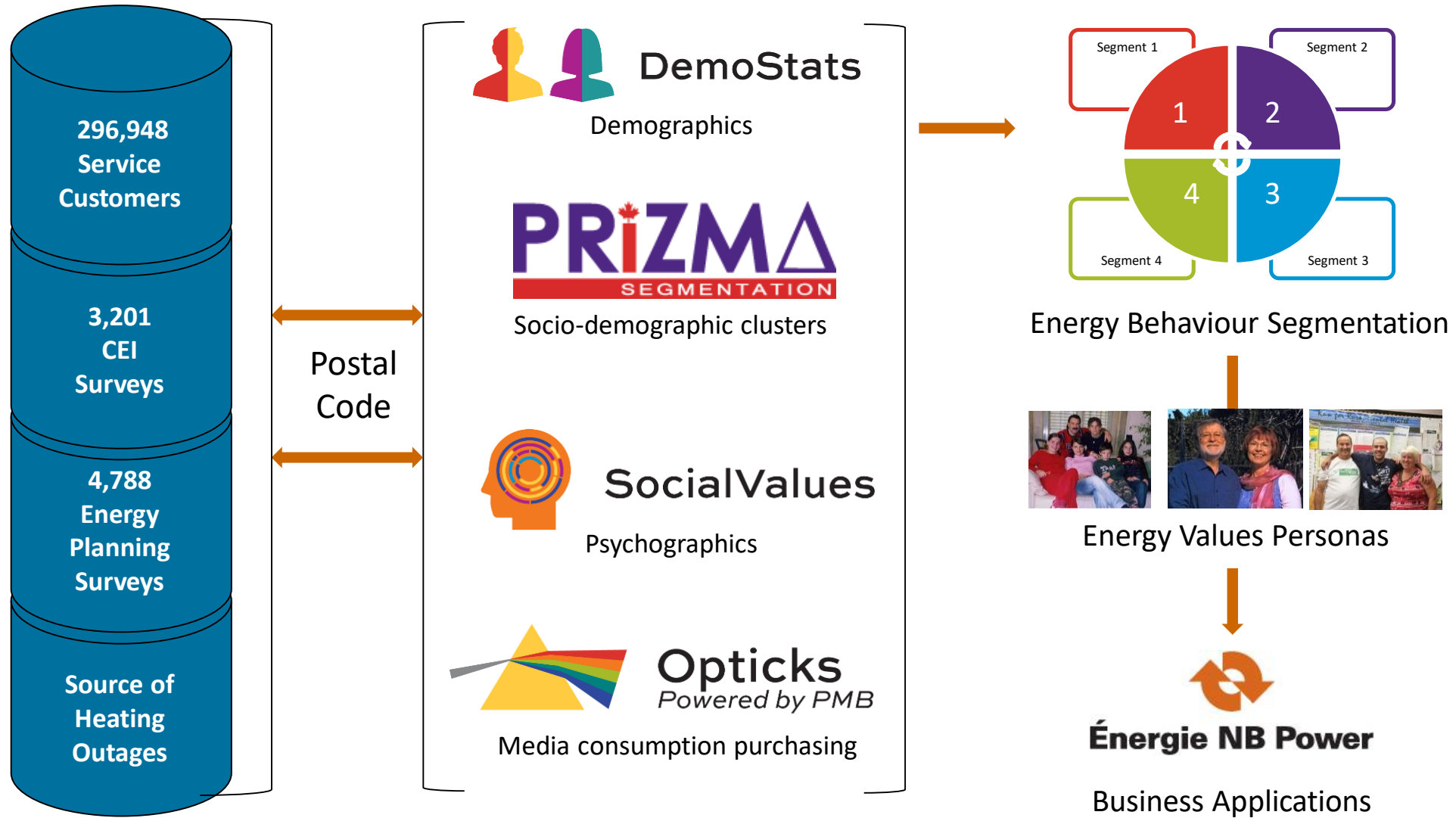


Attitudes and Values

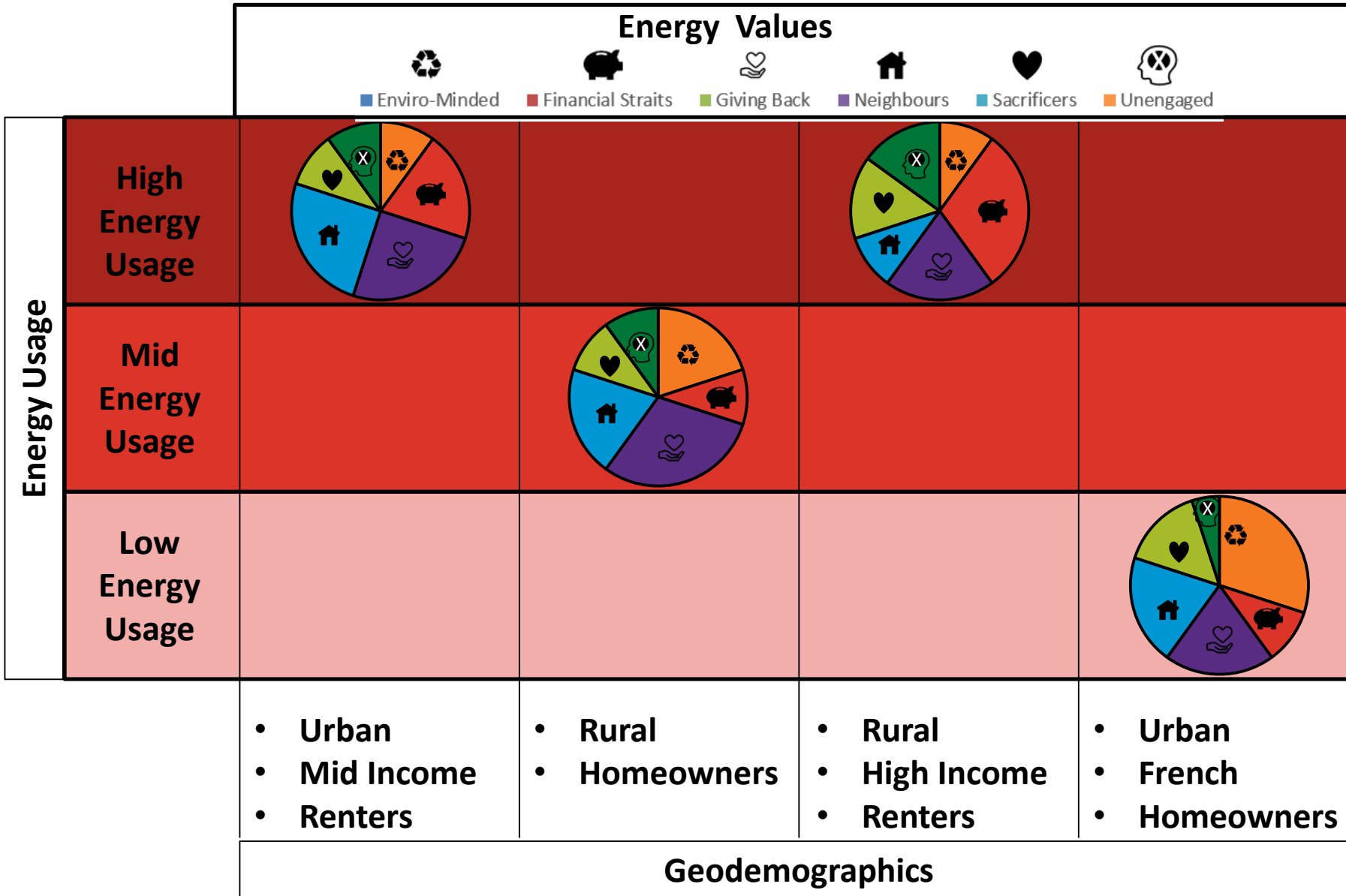
THE NEW SEGMENTATION APPROACH



THE NEW SEGMENTATION APPROACH



THE NEW SEGMENTATION APPROACH



WHO ARE OUR CUSTOMERS?

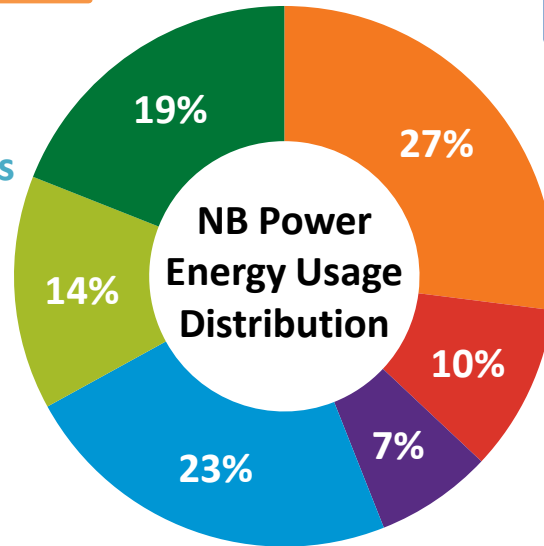
R2: Rural French



R1: Rural English



U3: Urban Families, Older Homes



U2: Less Urban



U1: Urban Families, High Income

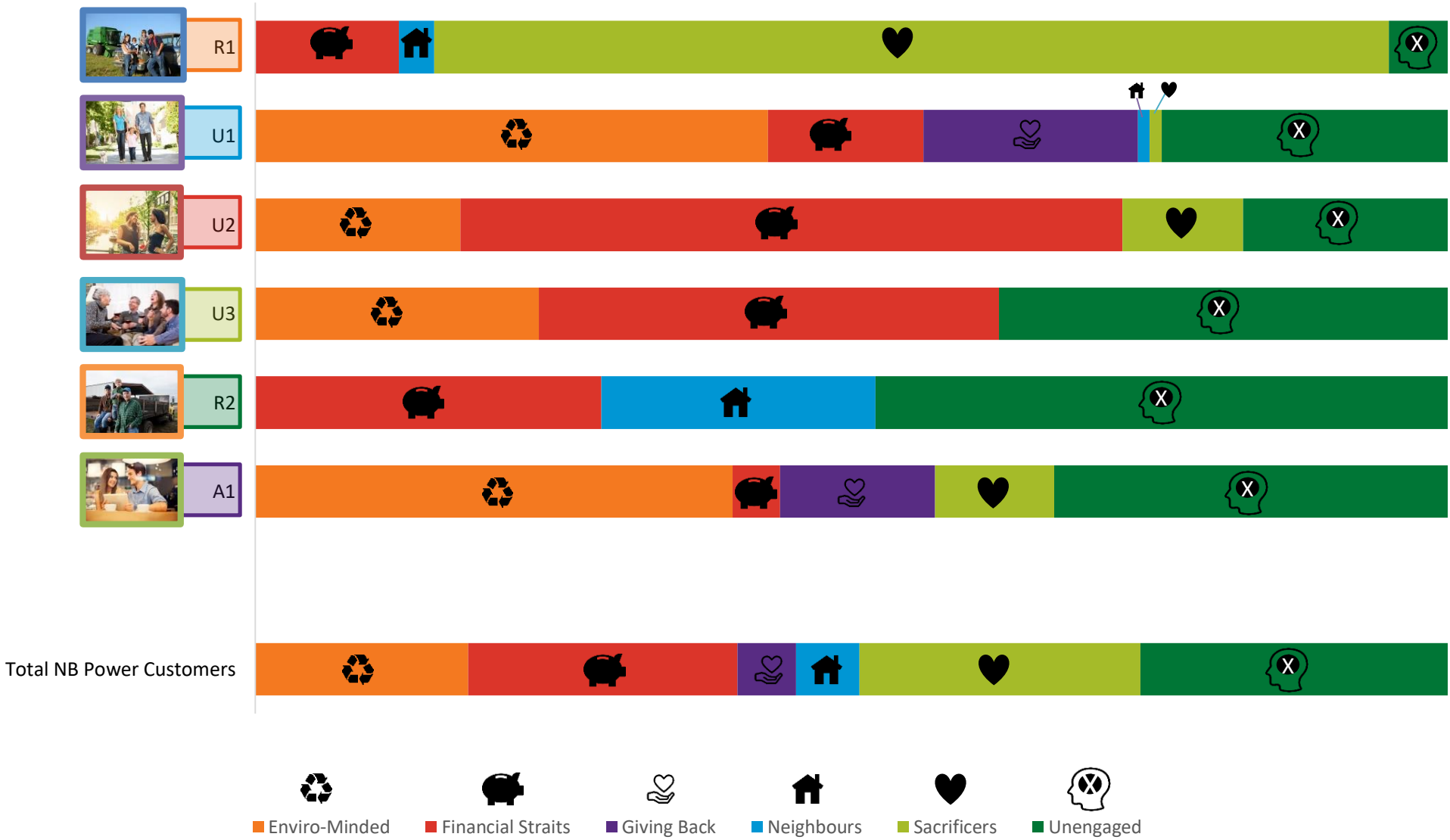


A1: Renters















HOW DO WE RESONATE WITH THEM?

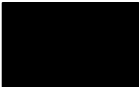
Energy Values Distribution



SEGMENTATION BY THE NUMBERS

Energy Usage Behaviour Segments	% NB Power usage	Energy Values Segments (by households)					
		 Enviro-Minded	 Financial Straits	 Giving Back	 Neighbours	 Sacrificers	 Unengaged
 R1	27%		9,549		2,357	63,645	3,929
 U1	23%	25,080*	7,582	10,499	583	583	13,998
 U2	10%	4,778	15,458			2,810	4,778
 U3	14%	10,547	17,139				16,700
 R2	19%		16,235		12,876		26,872
 A1	7%	12,805	1,280	4,162		3,201	10,564
Total NB Power customers	100%	53,210	67,243	14,661	15,816	70,240	76,841
Resonating message		Green but not Socially responsible	Financial concerns but not Green	Green, Financially secure, Socially responsible	Not Green and Socially responsible	Green, Financial concerns and Socially responsible	Not Green and not Socially responsible

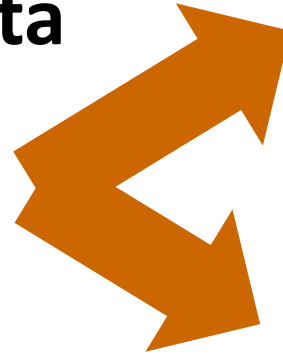
*# of households

 Indicates the Energy Values Persona were not detected in the segment

BRINGING THE NUMBERS TO LIFE

Segmentation Data

- 6 Behaviour Segments
- 6 Energy Personas
- Over 1,000 Variables



Operationalize

- Internal understanding
- Opportunity identification
- Data integration with IT

Actioning

- Product Marketing
- Customer Care
- Deployment

BRINGING R1 TO LIFE

Environics Data



\$67,000

Avg. HH Income



81%

Sacrificers

PRIZM Segments



Values & Attitudes

Pride in Country (138)

Traditional Family (135)

Technology Anxiety (125)

Social Responsibility (123)

Confidence in Small Business (127)

Social Learning (130)

Confidence in Big Business (73)



Who are they?

- Self-sufficient “back country folks” who tend to sacrifice
- Predominately lower income, blue collar, rural

How do we reach them?

- Community and family -oriented messaging with less emphasis on technology
- Traditional media like Radio or TV
- Community Events

Why are they significant to us?

- Less likely to regulate temperature in house depending on time of day

NB Power Data



25%

Received energy audit in past 3yrs

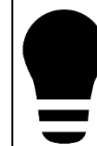


94%

Prefer to speak English



Older Homes



2,223

kwh

High energy usage



32%

have programmable thermostats



12%

turn down heat before bed

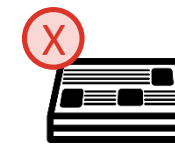
Media & Ad Preferences



Radio (110)



TV (105)



Newspaper (74)



More likely to respond to flyer for savings (127)



OPPORTUNITY IDENTIFICATION

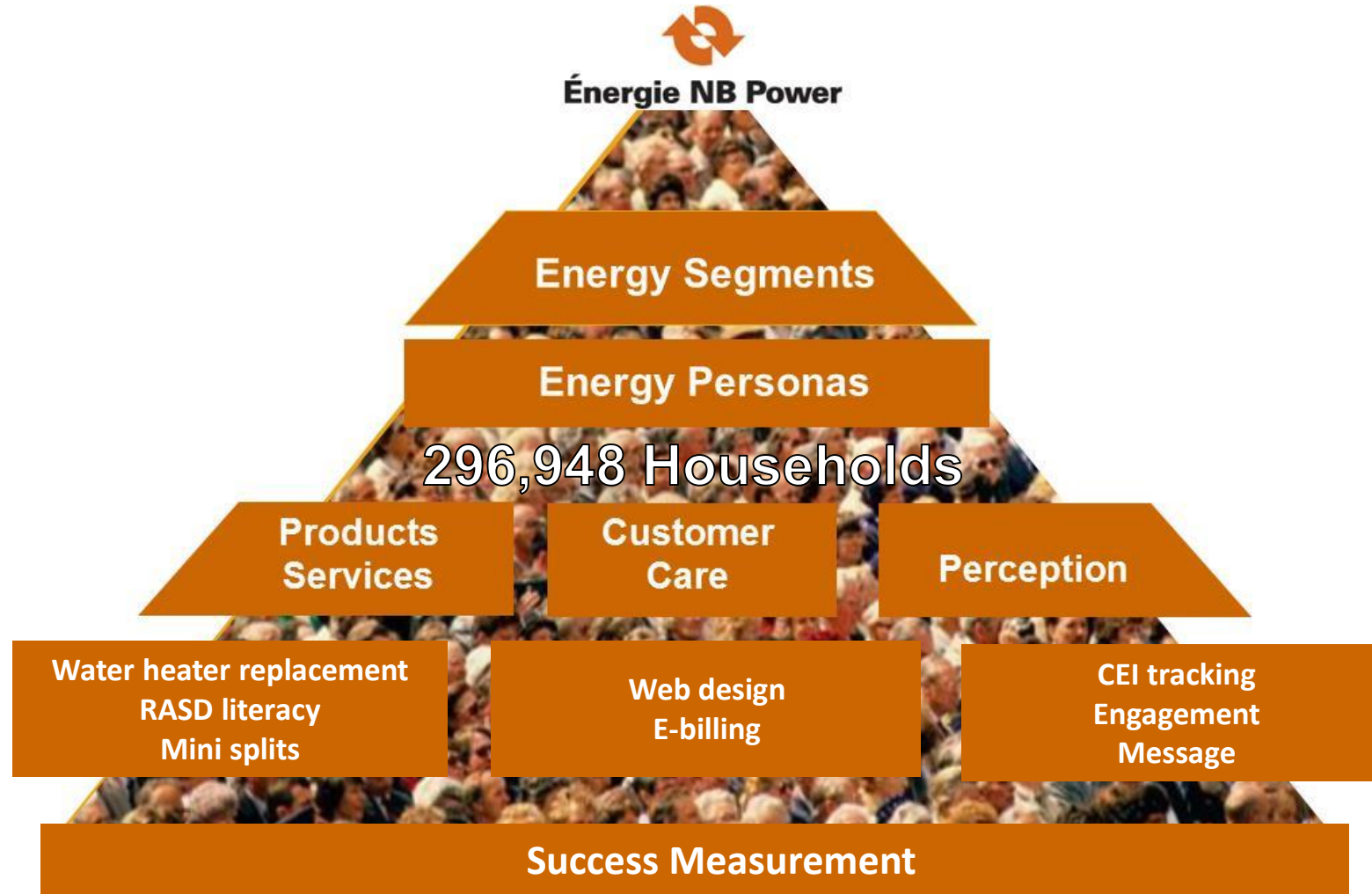
Leverage Community Involvement

- Town halls
- Local NB Power workers
- Play-up local environment

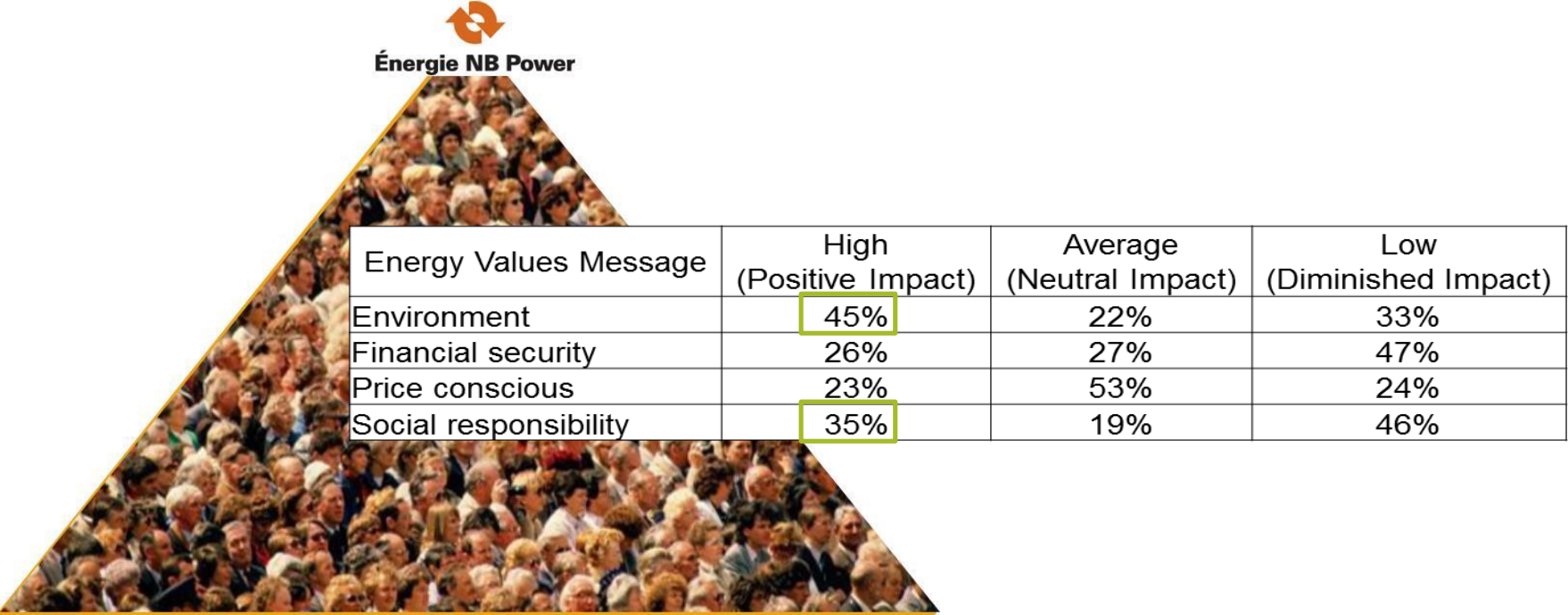
Help Customers Lower Bills

- Energy budget
- Flyer savings
- De-emphasize new technology
- DIY hands-on solutions
- Self-directed energy audit

ACTIONING



SMART HABITS MESSAGING

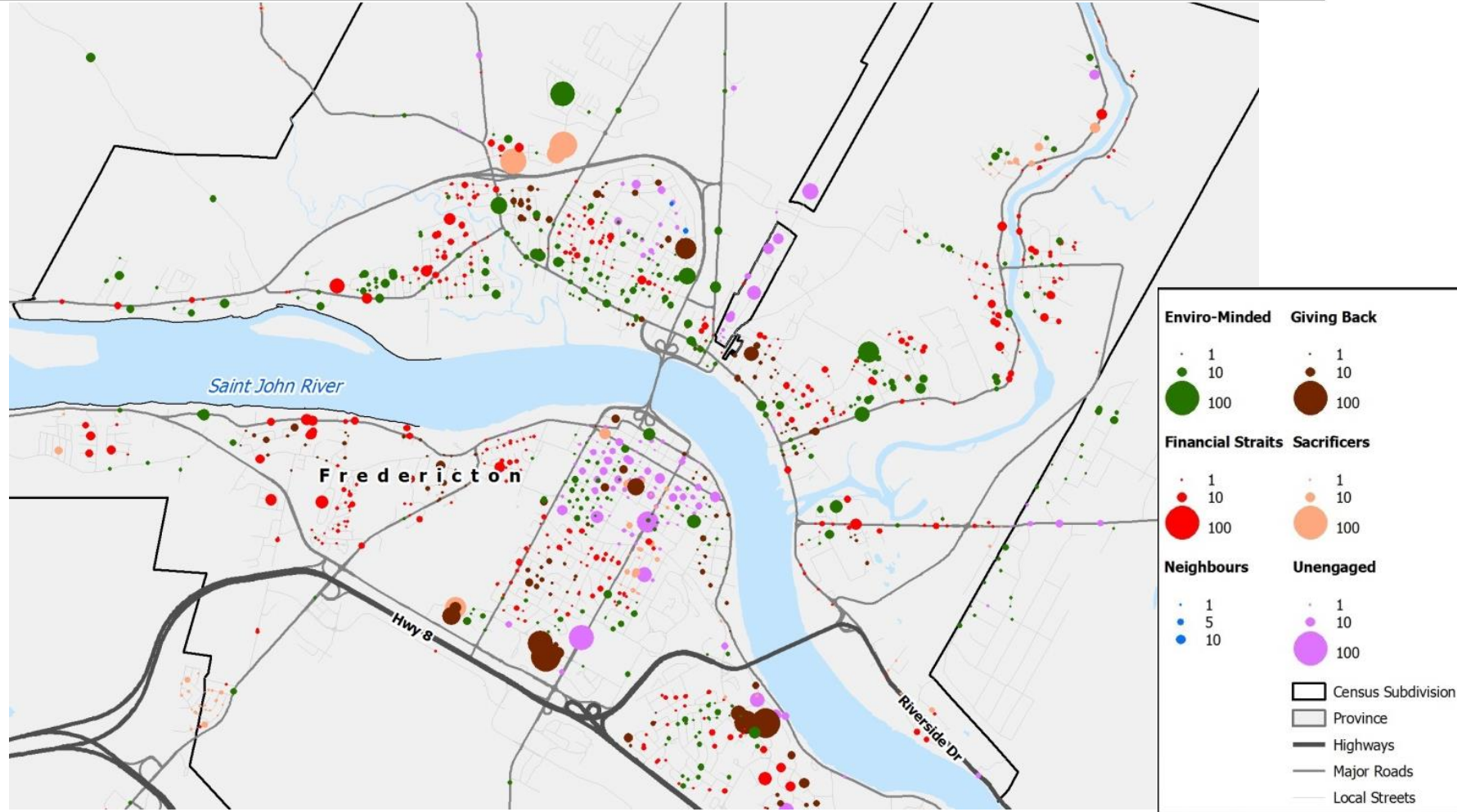


ANALYTICS IN ACTION



WATER HEATER RETENTION

New Brunswick Power
Water Heater Segments
Fredricton CSD - By Postal Code





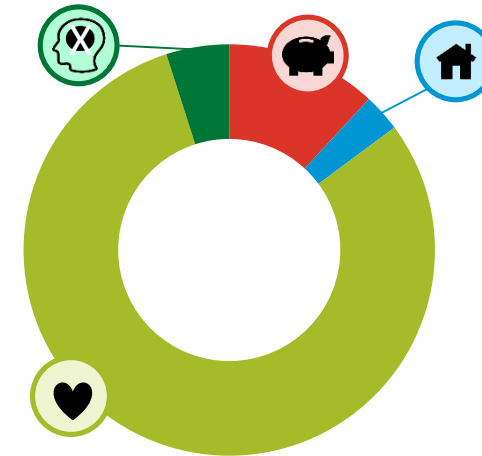
WATER HEATER RETENTION

Custom R200 Energy Star rated tank (no HCVs, no CFCs, no VOCs)
with 16-year warranty



<u>HHs</u>	<u>Energy Segment</u>
7,089	U1
3,780	U2
6,810	U3
5,307	A1
14,716	R1
10,048	R2

Energy Personas





WATER HEATER RETENTION

Segment-driven messaging across channels



Energy Personas

Financial Straits

Neighbours

Sacrificers

Unengaged

Messaging Prioritization

Just \$6.20/mth	Efficiency savings	Service backed
Just \$6.20/mth	No HCV, No CFC, No VOC	Service backed
Energy savings	Just \$6.20/mth	No HCV, No CFC, No VOC
Just \$6.20/mth	Service backed	Efficiency savings

Channels

Outbound telemarketing scripts

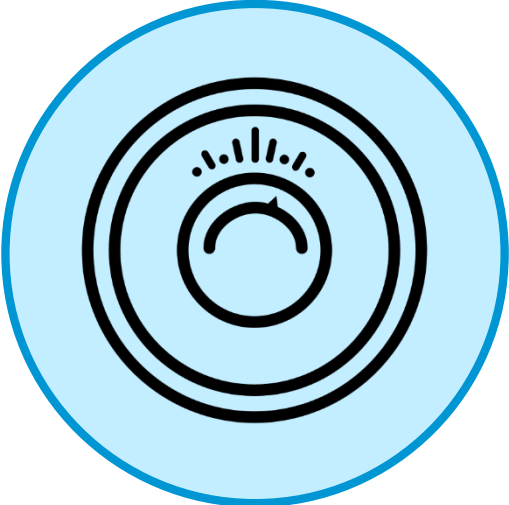
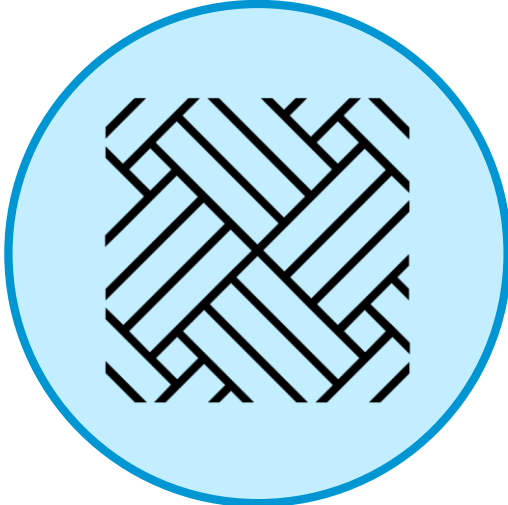
Inbound customer care scripts

Selective bill inserts

Targeted flyers

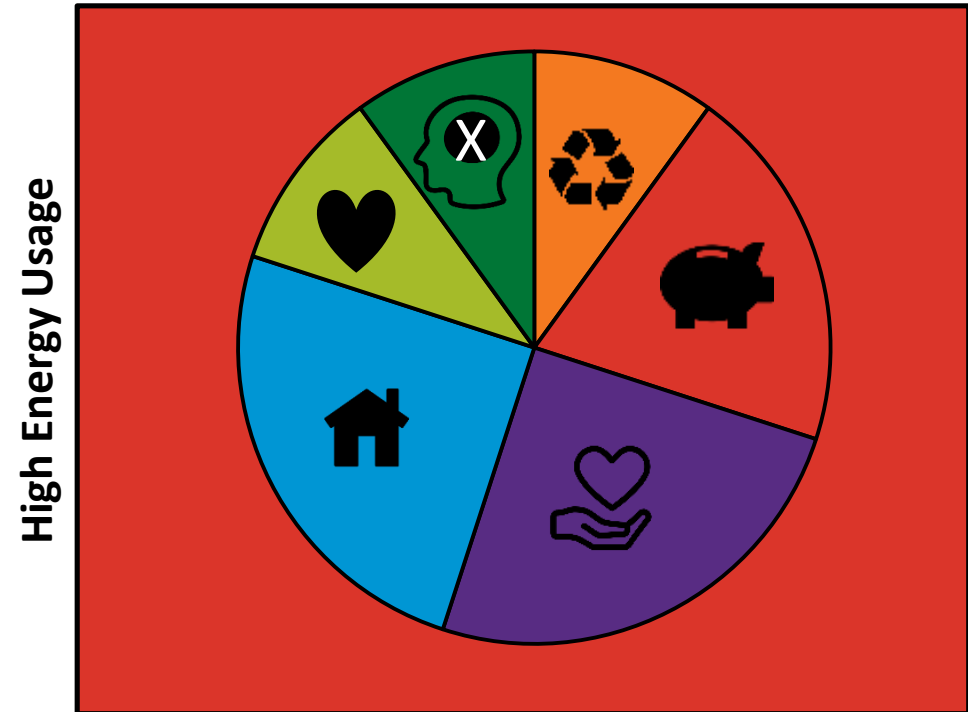
Community newspaper

WHAT'S NEXT...



ANALYTICS THAT COUNT

- Actionable segmentation
- Link persona, household composition and electricity usage
- Continually update segmentation with new customers



- Urban
- Renters

THANK YOU. QUESTIONS?

Rupen Seoni
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Environics Analytics
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